

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.

v. : Criminal No. 08-

GERALD CARTI, : 18 U.S.C. § 1343
RENFORD DAVIS, : 18 U.S.C. § 1349
AMER MIR and : 18 U.S.C. § 1956(h)
FREDERICK UGWU : 18 U.S.C. § 1957
: 18 U.S.C. § 2

I N D I C T M E N T

The Grand Jury in and for the District of New Jersey,
sitting at Newark, charges:

COUNT 1 – CONSPIRACY TO COMMIT WIRE FRAUD
(18 U.S.C. § 1349)

Defendants and Coconspirators

1. At all times relevant to this Indictment:

a. Defendant Gerald Carti resided in Fairlawn, New Jersey, and was employed as a loan officer by, and held an ownership interest in, US Mortgage Corp. ("US Mortgage"), a mortgage company headquartered in Pine Brook, New Jersey, that was engaged in the business of making and brokering residential mortgage loans to the public.

b. Defendant Amer Mir resided in Jersey City, New Jersey, and was employed as a loan officer by United Home Mortgage Co. ("United Home"), a mortgage broker in Jersey City, New Jersey, that was engaged in the business of brokering residential mortgage loans to the public.

c. Defendant Frederick Ugwu resided in Paterson, New Jersey, controlled 253 East 33rd Street, LLC, and purchased and

subsequently sold for higher prices residential real estate in and near Paterson, New Jersey.

d. Defendant Renford Davis resided in Paterson, New Jersey, and controlled Renhops Management LLC ("Renhops").

e. N.B., who is named as a coconspirator but not as a defendant herein, resided in Clifton, New Jersey, and purchased and subsequently sold for higher prices residential real estate in and near Paterson, New Jersey.

f. R.D., who is named as a coconspirator but not as a defendant herein, resided in Clifton, New Jersey, and purchased and subsequently sold for higher prices residential real estate in and near Paterson, New Jersey.

g. Michael Eliasof, who is named as a coconspirator but not as a defendant herein, resided in Mahwah, New Jersey, controlled MGE Investments and Paterson Management LLC ("Paterson Management"), and was employed as a residential real estate agent at Re/Max Property Center in Paramus, New Jersey.

h. Claribel Morrobel, who is named as a coconspirator but not as a defendant herein, resided in Lincoln Park, New Jersey, and was employed by Michael Eliasof.

i. Hopeton Bradley, who is named as a coconspirator but not as a defendant herein, resided in Paterson, New Jersey, and controlled Renhops with defendant Renford Davis.

j. S.M., who is named as a coconspirator but not as a defendant herein, resided in North Caldwell, New Jersey, was a

senior officer of, and held an ownership interest in, US Mortgage, and controlled Equity Appraisal Services LLC ("Equity Appraisal") and American Title & Settlement Services LLC ("American Title"), both located in Pine Brook, New Jersey.

k. William Ottaviano, who was also known as "Billy the Kid" and is named as a coconspirator but not as a defendant herein, resided in Branchville, New Jersey, and operated Equity Appraisal while reporting to S.M. and others at US Mortgage.

l. Frank Corallo, who is named as a coconspirator but not as a defendant herein, resided in Wantage, New Jersey, and was employed by US Mortgage as a loan processor and assistant to defendant Gerald Carti.

m. M.C., who is named as a coconspirator but not as a defendant herein, resided in Fairlawn, New Jersey, was employed by US Mortgage as a loan processor and assistant to defendant Gerald Carti and was related to defendant Gerald Carti.

n. B.M., who is named as a coconspirator but not as a defendant herein, resided in Wayne, New Jersey, was related to S.M., and was employed by and held an ownership interest in US Mortgage, where he assisted defendant Gerald Carti.

o. P.L., who is named as a coconspirator but not as a defendant herein, resided in Lodi, New Jersey, and was employed as a loan officer by American Mortgage Co. ("American Mortgage"), a mortgage broker in Livingston, New Jersey, that was engaged in

the business of brokering residential mortgage loans to the public.

p. W.C., who is named as a coconspirator but not as a defendant herein, resided in Garfield, New Jersey, and practiced law from a Garfield, New Jersey office where he conducted real estate closings.

q. Melanie Gebbia, who is named as a coconspirator but not as a defendant herein, resided in Wanaque, New Jersey, and was employed as a legal assistant in W.C.'s law office in Garfield, New Jersey.

Mortgage Lending Generally

2. Mortgage loans are loans funded by banks and other financial institutions ("Lenders") to enable borrowers to finance the purchase of real estate. In deciding whether the borrowers meet the Lenders' income, credit eligibility, and down payment requirements, the Lenders evaluate the financial representations set forth in Uniform Residential Loan Applications and other documents from the borrowers and assess the value of the real estate that will secure the loan, a process called "underwriting."

3. One common type of mortgage loan is called the "conventional" mortgage loan. Lenders underwrite and fund conventional mortgage loans using their own funds and credit lines. After funding the conventional mortgage loans, the Lenders can either service the loans during the mortgage loan

period or sell the loans to private institutional investors in the secondary market ("Investors").

4. When Lenders sell conventional mortgage loans in the secondary market, the loans are typically conveyed without recourse and with the understanding that borrower loan defaults will be assumed exclusively by the Investor acquiring the loans. Sometimes, however, Investors invoke contractual indemnification rights to require Lenders to repurchase or otherwise arrange the satisfaction of conventional mortgage loans sold to the Investors.

5. Another common type of mortgage loan is issued in connection with a mortgage loan insurance program administered by the Federal Housing Administration ("FHA"), which is a division of the United States Department of Housing and Urban Development ("HUD"), an agency of the United States. The FHA encourages designated Lenders to make mortgage loans to qualified borrowers by protecting against loan defaults through a government-backed payment guarantee in the event that the borrower failed to make payments on the mortgage loan.

The Mortgage Companies

6. At various times relevant to this Indictment:

a. US Mortgage, United Home and American Mortgage took applications for -- that is, "originated" -- mortgage loans to finance the purchase of 2-family and 3-family homes located in

and near Paterson, New Jersey (individually and collectively, the "Paterson Properties").

b. US Mortgage funded many of these mortgage loans by using credit lines -- called "warehouse financing" -- extended mainly by Residential Funding Corp. ("RFC"). US Mortgage then sold the mortgage loans it funded to its Investors, including RFC, either individually or bundled together.

c. US Mortgage was the underwriter for the mortgage loans that it funded, meaning that it was supposed to ensure that the loans satisfied the Investors' lending criteria. Thus, US Mortgage was supposed to take numerous steps, including:

i. assessing the borrowers' creditworthiness to make sure that the borrowers had the ability to repay the loans they were seeking;

ii. assessing the value of the Paterson Properties to make sure that the properties were worth more than the amount being loaned to purchase those properties so that there would be sufficient collateral if the borrowers defaulted on the loans; and

iii. obtaining title insurance for the Paterson Properties to protect the Investors' interest in the properties as security for the mortgage loans.

d. In addition to mortgage loans that US Mortgage underwrote, it also brokered mortgage loans for the Paterson Properties on behalf of Lenders, meaning that US Mortgage

typically did not fund such loans through its credit lines and did not underwrite them. Instead, the Lenders funded these loans after reviewing and relying upon documents obtained and submitted by US Mortgage.

e. Similarly, United Home and American Mortgage brokered mortgage loans for the Paterson Properties on behalf of Lenders. United Home and American Mortgage neither funded nor underwrote these loans. Instead, the Lenders funded these loans after reviewing and relying upon documents obtained and submitted by United Home and American Mortgage.

f. US Mortgage, United Home and American Mortgage profited from the mortgage loans they originated for the Paterson Properties through origination fees, discount fees (called "points") and other fees paid by the borrowers. Even more profitable to US Mortgage were the mortgage loans that it underwrote, funded and sold to Investors. Thus, the more mortgage loans that US Mortgage, United Home and American Mortgage originated, the more profit they reaped.

The Conspiracy

7. From in or about January 2002 through in or about December 2005, in Bergen, Hudson and Passaic Counties, in the District of New Jersey, and elsewhere, defendants

**Gerald Carti,
Renford Davis,
Amer Mir and
Frederick Uguu**

did knowingly and intentionally conspire and agree with each other and others to devise a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, which scheme and artifice is set forth below in substance and in part, and for the purpose of executing such scheme and artifice, to transmit and cause to be transmitted by means of wire communications in interstate commerce certain writings, signs, signals, pictures, and sounds, contrary to 18 U.S.C. § 1343.

Object of the Conspiracy

8. The object of the conspiracy, which caused millions of dollars of losses to various Lenders, was to profit from the sale and refinancing of residential rental properties by obtaining mortgage loans for unqualified borrowers using fraudulent loan applications, appraisals and other documents.

Manner and Means of the Conspiracy

9. As part of the conspiracy, the conspirators would obtain and arrange to sell the Paterson Properties to unsophisticated

real estate investors whom the conspirators knew lacked financial resources to qualify for mortgage loans to purchase the properties (the "Borrowers").

10. As further part of the conspiracy, the conspirators would induce the Borrowers to buy the Paterson Properties by claiming that the properties would be good investments for the Borrowers and by promising that in exchange for purchasing the Paterson Properties in their names while ceding control of the properties to the conspirators, the Borrowers:

a. would neither pay deposits and closing costs to acquire the properties, nor make monthly mortgage payments after they owned the properties;

b. would receive monthly cash payments and a percentage of future sales profits when the conspirators sold the properties; and

c. would not have to manage the properties because Paterson Management or Renhops would maintain the properties, locate tenants, collect rent and make mortgage payments.

11. As further part of the conspiracy, the conspirators would obtain mortgage loans for the Borrowers through fraudulent loan applications, including:

a. false agreements of sale for the Paterson Properties describing substantial down payments from the Borrowers that the conspirators knew would not be made;

b. false information concerning the Borrowers' employment, income, assets and rental payments; and

c. false appraisals prepared by William Ottaviano and others inflating the value of the Paterson Properties.

12. As further part of the conspiracy, the conspirators would cause fraudulent documents to be prepared concerning the Paterson Properties, including RESPA settlement statements (also called "HUD-1 Uniform Settlement Statements") that were supposed to accurately reflect the amounts of money due from the Borrowers and to be paid to the sellers to close the sales of the Paterson Properties.

13. As further part of the conspiracy, the conspirators took proceeds from these fraudulent mortgage loans by having checks made payable to -- or deposited by -- themselves, US Mortgage, United Home and others.

14. As further part of the conspiracy, when problems arose with the Borrowers' mortgage loans, the conspirators would pay off the mortgage loans by refinancing them with new, fraudulent mortgage loans for the unqualified Borrowers or by reselling the Paterson Properties to new, unqualified Borrowers for whom the conspirators obtained new, fraudulent mortgage loans.

Furthering the Conspiracy

15. In furtherance of the conspiracy and to effect its object, its members committed and caused to be committed numerous transactions involving the Paterson Properties, including those

on or about the following dates involving the following approximate amounts:

a. 138 Highland Street

	<u>Date</u>	<u>Type</u>	<u>Buyer</u>	<u>Price</u>	<u>Loan</u>	<u>Originator</u>
<u>Purchase</u>	10/23/02		N.B.	\$110,000		
<u>Flips</u>	12/06/02	Sale	C.W.	\$220,000	\$198,000	US Mortgage
	06/08/04	Sale	L.R.	\$275,000	\$261,250	United Home

b. 32 Oak Street

	<u>Date</u>	<u>Type</u>	<u>Buyer</u>	<u>Price</u>	<u>Loan</u>	<u>Originator</u>
<u>Purchase</u>	03/11/03		R.D.	\$130,000		
<u>Flips</u>	03/14/03	Sale	P.E.	\$280,000	\$232,050	US Mortgage
	06/10/04	Sale	M.T.	\$290,000	\$261,000	United Home

c. 341 Hamilton Avenue

	<u>Date</u>	<u>Type</u>	<u>Buyer</u>	<u>Price</u>	<u>Loan</u>	<u>Originator</u>
<u>Purchase</u>	09/21/01		Ugwu	\$40,000		
<u>Flips</u>	04/24/02	Sale	J.M.	\$195,000	\$175,500	US Mortgage
	11/07/02	Refinance			\$181,000	US Mortgage
	07/07/04	Refinance			\$264,600	US Mortgage
	12/10/04	Sale	R.L.	\$340,000	\$323,000	United Home

d. 140 Jasper Street

	<u>Date</u>	<u>Type</u>	<u>Buyer</u>	<u>Price</u>	<u>Loan</u>	<u>Originator</u>
<u>Purchase</u>	11/21/02		Ugwu	\$120,000		
<u>Flips</u>	12/23/02	Sale	V.M.	\$220,000	\$187,000	US Mortgage
	06/04/04	Refinance			\$195,000	US Mortgage
	07/16/04	Refinance			\$261,000	US Mortgage
	10/07/04	Sale	R.Du.	\$330,000	\$297,000	United Home

e. 44 Watson Street

	<u>Date</u>	<u>Type</u>	<u>Buyer</u>	<u>Price</u>	<u>Loan</u>	<u>Originator</u>
<u>Purchase</u>	11/05/02		Ugwu	\$35,500		
<u>Flips</u>	02/26/03	Sale	R.H.	\$260,000	\$221,000	US Mortgage
	07/29/04	Sale	B.P.	\$320,000	\$288,000	US Mortgage

16. These transactions generally followed the same pattern:

a. Beginning in or about 2002, defendant Frederick Ugwu, N.B. and R.D. obtained the Paterson Properties knowing that Michael Eliasof -- with Claribel Morrobel's help -- would find Borrowers to purchase the properties at inflated prices.

b. Defendant Frederick Ugwu, N.B. and R.D. caused basic or cosmetic repairs to be made to the Paterson Properties, so that the homes would appear habitable to appraisers and prospective tenants.

c. The Borrowers were told to visit the Forum Diner in Paramus, New Jersey, in groups and wait their turn to sign sales contracts and mortgage loan applications for the Paterson Properties, which the Borrowers had often not previously seen.

d. When completing the fraudulent sales and loan paperwork for the Borrowers, the conspirators set inflated prices for the Paterson Properties, sometimes exceeding 400% more than what defendant Frederick Ugwu, N.B. and R.D. had paid to acquire the properties months or, in some cases, days earlier.

e. Defendant Gerald Carti caused US Mortgage to originate, underwrite and fund mortgage loans to the Borrowers,

knowing that the Borrowers were not financially qualified and that US Mortgage would sell or attempt to sell the loans to RFC and other Investors. Defendant Gerald Carti received substantial commissions for these mortgage loans.

f. In completing the Borrowers' loan applications, Defendant Gerald Carti and others attributed to them inflated incomes, false bank account balances, fake sales contract deposits and fictitious assets. Defendant Gerald Carti and others also sometimes falsely indicated on the Borrowers' mortgage loan applications that the Paterson Properties would be owner-occupied, rather than investment properties.

g. Defendant Gerald Carti and Michael Eliasof instructed William Ottaviano and others to generate inflated appraisal reports for the Paterson Properties. William Ottaviano, who was not a licensed appraiser, completed inflated appraisal reports by forging the signature of an unwitting licensed New Jersey real estate appraiser to attest as a supervisory appraiser to the accuracy of the reports.

h. The Borrowers -- many of whom never saw particular Paterson Properties before purchasing them -- attended closings at W.C.'s law office. There, W.C. directed Melanie Gebbia to prepare documents for the closings, including fraudulent HUD-1 Uniform Settlement Statements signed by the Borrowers, defendant Frederick Ugwu, N.B. and R.D. reflecting deposits that had never been made.

i. W.C. and Melanie Gebbia distributed proceeds of the fraudulently-obtained mortgage loans to the conspirators by checks drawn upon W.C.'s attorney trust account ("ATA") at Interchange Bank in Saddle Brook, New Jersey, and made payable to, among others, MGE Investments and Paterson Management, companies controlled by Michael Eliasof. Michael Eliasof, in turn, paid kickbacks from these proceeds to defendant Gerald Carti, W.C., Melanie Gebbia, Claribel Morrobel, William Ottaviano and others.

j. In or about June 2003, RFC began notifying US Mortgage of irregularities concerning some of the fraudulent mortgage loans for the Paterson Properties. RFC declined to purchase some of the loans and demanded that US Mortgage repurchase others. Meanwhile, some of fraudulent mortgage loans fell into default.

k. To prevent US Mortgage from losing millions of dollars in connection with these fraudulent loans and to convince RFC not to terminate US Mortgage's main source of warehouse financing, S.M. took steps to conceal the conspiracy, including directing defendant Gerald Carti, W.C. and Michael Eliasof to pay off the existing loans by refinancing them through new mortgage loans for the existing unqualified Borrowers or reselling the Paterson Properties to new, similarly unqualified Borrowers.

l. To accomplish S.M.'s directive, defendant Gerald Carti, W.C. and Michael Eliasof directed defendant Renford Davis,

defendant Amer Mir, Hopeton Bradley, Frank Corallo, M.C., P.L., B.M. and others to find new Borrowers and obtain new mortgage loans through US Mortgage, United Home and American Mortgage, for which defendant Gerald Carti, defendant Amer Mir and P.L. received substantial commissions.

m. When refinancing the fraudulent loans or reselling the Paterson Properties, the conspirators used even higher inflated appraisals and prices. In addition, to enhance the creditworthiness of the Borrowers seeking new mortgage loans, defendant Renford Davis, Hopeton Bradley, Frank Corallo, M.C., B.M. and others generated false verifications of employment, rent and income and other false documents.

n. At S.M.'s direction, where US Mortgage originated the new mortgage loan that paid off the existing mortgage loan, defendant Gerald Carti, Frank Corallo, M.C., B.M. and other US Mortgage employees ensured that the new mortgage loan was brokered, to minimize the financial risk to US Mortgage.

o. Also at S.M.'s direction, whether US Mortgage, United Home or American Mortgage brokered the new mortgage loan, checks to MGE Investments and Paterson Management typically were not issued at the closings of these transactions, because such payments previously had raised red flags for RFC and other Investors.

p. Instead, W.C. issued multiple checks made payable to the Borrowers selling or refinancing the Paterson Properties,

many of which were diverted to defendant Renford Davis, Hopeton Bradley and Michael Eliasof and deposited into bank accounts controlled by them.

q. S.M. took other steps to promote and conceal the conspiracy, including:

i. touting William Ottaviano to RFC as a competent appraiser in or about June 2003 even though S.M. knew he was not licensed and that he had weeks earlier provided an inflated appraisal for a property that S.M. stated was "a piece of shit" and looked "like shit"; and

ii. misrepresenting to RFC in or about June 2003 that US Mortgage "no longer accepts any business whatsoever from realtor Michael Eliasof" when in fact US Mortgage continued to originate loans for properties associated with Michael Eliasof.

r. Defendant Frederick Ugwu, N.B., R.D. and others continued to locate and sell additional Paterson Properties to unqualified Borrowers with the assistance of defendant Gerald Carti, W.C., Michael Eliasof, Melanie Gebbia, P.L., defendant Amer Mir, Claribel Morrobel, William Ottaviano and others. The conspirators used US Mortgage, United Home and American Mortgage to broker fraudulent mortgage loans for these transactions and diverted much of the closing proceeds to themselves. Defendant Gerald Carti, defendant Amer Mir and P.L. received substantial commissions for these new mortgage loans.

s. While continuing to pay kickbacks to defendant Gerald Carti, W.C., Melanie Gebbia, Claribel Morrobel, William Ottaviano and others, Michael Eliasof also paid kickbacks to defendant Renford Davis, defendant Amer Mir, Hopeton Bradley and others; R.D. paid kickbacks to defendant Amer Mir; and P.L. paid kickbacks to Melanie Gebbia.

t. Throughout the conspiracy, its members caused title insurance policies to be obtained for the Paterson Properties from American Title, which paid to defendant Gerald Carti, S.M. and other US Mortgage principals through an entity controlled by S.M.'s spouse more than \$2.5 million in supposed "consulting" fees during 2002 through 2005.

All in violation of Title 18, United States Code, Section 1349.

COUNTS 2 THROUGH 11 - WIRE FRAUD
(18 U.S.C. § 1343 and § 2)

1. The allegations set forth in paragraphs 1 through 6 and 8 through 16 of Count 1 of this Indictment are realleged and incorporated herein.

2. On or about the dates listed below, in Bergen, Hudson and Passaic Counties, in the District of New Jersey, and elsewhere, having devised and intending to devise a scheme and artifice to defraud and for obtaining money and property by means of materially false and fraudulent pretenses, representations and promises, the defendants specified per count below did knowingly and with fraudulent intent transmit and cause to be transmitted by means of wire communication in interstate commerce certain writings, signs, signals, pictures and sounds, namely the specified electronic wire transfers originating in the specified States of the specified approximate amounts of money to the ATA in New Jersey in connection with mortgage loans for the specified properties, for the purpose of executing such scheme and artifice:

<u>Count</u>	<u>Defendants</u>	<u>Date</u>	<u>Amount</u>	<u>Property</u>	<u>From</u>	<u>To</u>
2	Gerald Carti	07/07/04	\$266,956	166 N. 3rd St.	California	New Jersey
3	Gerald Carti Renford Davis	07/30/04	\$292,334	44 Watson St.	New York	New Jersey
4	Gerald Carti Renford Davis	08/27/04	\$227,641	171 Godwin Ave.	New York	New Jersey
5	Gerald Carti Renford Davis Amer Mir	08/31/04	\$307,311	142 N. 3rd St.	New York	New Jersey

<u>Count</u>	<u>Defendants</u>	<u>Date</u>	<u>Amount</u>	<u>Property</u>	<u>From</u>	<u>To</u>
6	Gerald Carti Renford Davis Amer Mir	09/08/04	\$345,656	26-28 May St.	California	New Jersey
7	Gerald Carti	10/22/04	\$314,608	79 Plum St.	New York	New Jersey
8	Gerald Carti Renford Davis Amer Mir	11/10/04	\$299,513	42 Clinton St.	California	New Jersey
9	Gerald Carti Renford Davis Amer Mir	12/14/04	\$272,020	351 Hamilton Ave.	California	New Jersey
10	Gerald Carti Amer Mir	12/23/04	\$300,039	30 N. 6th St.	California	New Jersey
11	Gerald Carti Amer Mir	12/22/04	\$309,395	471 E. 18th St.	New York	New Jersey

In violation of Title 18, United States Code, Section 1343 and Section 2.

COUNT 12 - CONSPIRACY TO COMMIT MONEY LAUNDERING
(18 U.S.C. § 1956(h))

1. The allegations set forth in paragraphs 1 through 6 and 8 through 16 of Count 1 of this Indictment are realleged and incorporated herein.

2. From in or about January 2002 through in or about December 2005, in Bergen, Hudson and Passaic Counties, in the District of New Jersey, and elsewhere, defendants

**Gerald Carti,
Renford Davis and
Amer Mir**

did knowingly conspire with each other and others to engage in monetary transactions, namely, deposits, withdrawals, transfers and exchanges of U.S. currency and monetary instruments, through financial institutions affecting interstate commerce, in criminally derived property of a value greater than \$10,000 that was derived from specified unlawful activity, namely, conspiracy to commit wire fraud and wire fraud, contrary to Title 18 United States Code, Section 1957.

3. As part of the conspiracy, defendant Gerald Carti, defendant Renford Davis, defendant Amer Mir, Hopeton Bradley, W.C. and their coconspirators caused millions of dollars in fraudulent mortgage loans to be funded during 2004 to enable unqualified Borrowers to purchase the Paterson Properties at inflated prices. Once the funds for these mortgage loans were deposited into the ATA, defendant Gerald Carti, defendant Renford Davis and defendant Amer Mir extracted proceeds from the fraud

through checks from the ATA to US Mortgage, United Home and the sellers of the Paterson Properties, including those checks discussed below.

A. Checks Associated with Refinancing of 166 North 3rd Street

4. As further part of the conspiracy, on or about the dates listed below, as the closing attorney, W.C. directed Melanie Gebbia to prepare the following checks, which he signed, from the ATA for the following approximate amounts in connection with the refinancing of a mortgage loan secured by 166 North 3rd Street:

<u>Date</u>	<u>ATA Check No.</u>	<u>Amount</u>	<u>Payee</u>
07/08/04	10223	\$8,594	J.M.
07/08/04	10236	\$11,703	US Mortgage

5. As further part of the conspiracy, W.C. failed to deliver to J.M. the check payable to J.M., instead causing it to be transferred to Michael Eliasof, who cashed or deposited it.

6. As further part of the conspiracy, W.C. caused to be delivered to US Mortgage the check for \$11,703, some of the proceeds of which were paid to defendant Gerald Carti.

B. Checks Associated with Sale of 44 Watson Street

7. As further part of the conspiracy, on or about the dates listed below, as the closing attorney, W.C. directed Melanie Gebbia to prepare the following checks, which he signed, from the ATA for the following approximate amounts in connection with the sale of 44 Watson Street from R.H. to B.P.:

<u>Date</u>	<u>ATA Check No.</u>	<u>Amount</u>	<u>Payee</u>
07/30/04	10401	\$20,000	R.H.
07/30/04	10402	\$10,000	R.H.
07/30/04	10403	\$25,168	R.H.

8. As further part of the conspiracy, W.C. failed to deliver to R.H. any of these checks, instead causing them to be transferred to Michael Eliasof.

9. As further part of the conspiracy, Michael Eliasof transferred to defendant Renford Davis and Hopeton Bradley the \$20,000 check, which then was deposited into a Renhops bank account.

10. As further part of the conspiracy, Michael Eliasof delivered to R.H. the \$10,000 check and cashed or deposited the \$25,168 check.

C. Checks Associated with Sale of 171 Godwin Avenue

11. As part of the conspiracy, on or about the dates listed below, as the closing attorney, W.C. directed Melanie Gebbia to prepare the following checks, which he signed, from the ATA for the following approximate amounts in connection with the sale of 171 Godwin Avenue from C.N. to D.T.:

<u>Date</u>	<u>ATA Check No.</u>	<u>Amount</u>	<u>Payee</u>
08/27/04	10544	\$17,000	C.N.
08/27/04	10545	\$15,000	C.N.
08/27/04	10546	\$11,860	C.N.
08/27/04	10547	\$1,234	C.N.

12. As further part of the conspiracy, W.C. failed to deliver to C.N. as seller any of these checks, instead causing them to be transferred to Michael Eliasof.

13. As further part of the conspiracy, Michael Eliasof transferred to defendant Renford Davis and Hopeton Bradley the \$17,000 check, which then was deposited into a Renhops bank account.

14. As further part of the conspiracy, Michael Eliasof delivered to C.N. the \$15,000 check and cashed or deposited the \$11,860 and \$1,234 checks.

D. CHECKS ASSOCIATED WITH SALE OF 142 NORTH 3RD STREET

15. As further part of the conspiracy, on or about the dates listed below, as the closing attorney, W.C. directed Melanie Gebbia to prepare the following checks, which he signed, from the ATA for the following approximate amounts in connection with the sale of 142 North 3rd Street from S.McK. to J.B.:

<u>Date</u>	<u>ATA Check No.</u>	<u>Amount</u>	<u>Payee</u>
08/31/04	10559	\$20,000	S.McK.
08/31/04	10560	\$8,500	S.McK.
08/31/04	10561	\$10,646	S.McK.
08/31/04	10562	\$2,273	S.McK.

16. As further part of the conspiracy, W.C. failed to deliver to S.McK. as seller any of these checks, instead causing them to be transferred to Michael Eliasof.

17. As further part of the conspiracy, Michael Eliasof transferred to defendant Renford Davis and Hopeton Bradley the \$20,000 check, which then was deposited into a Renhops bank account.

18. As further part of the conspiracy, Michael Eliasof delivered to S.McK. the \$8,500 check and cashed or deposited the \$10,646 and \$2,273 checks.

E. Checks Associated with Sale of 26-28 May Street

19. As further part of the conspiracy, on or about the dates listed below, as the closing attorney, W.C. directed Melanie Gebbia to prepare the following checks, which he signed, from the ATA for the following approximate amounts in connection with the sale of 26-28 May Street from V.M. to J.S.:

<u>Date</u>	<u>ATA Check No.</u>	<u>Amount</u>	<u>Payee</u>
09/09/04	10605	\$2,717	V.M.
09/09/04	10606	\$16,000	V.M.
09/09/04	10607	\$15,000	V.M.
09/09/04	10608	\$16,628	V.M.

20. As further part of the conspiracy, W.C. failed to deliver to V.M. as seller any of these checks, instead causing them to be transferred to Michael Eliasof.

21. As further part of the conspiracy, Michael Eliasof transferred to defendant Renford Davis and Hopeton Bradley the \$15,000 check, which then was deposited into a Renhops bank account.

22. As further part of the conspiracy, Michael Eliasof delivered to V.M. the \$16,000 check and cashed or deposited the \$16,628 and \$2,717 checks.

F. Checks Associated with Sale of 79 Plum Street

23. As further part of the conspiracy, on or about the dates listed below, as the closing attorney, W.C. directed Melanie Gebbia to prepare the following checks, which he signed, from the ATA for the following approximate amounts in connection with the sale of 79 Plum Street from A.M. to J.O.:

<u>Date</u>	<u>ATA Check No.</u>	<u>Amount</u>	<u>Payee</u>
10/25/04	10872	\$11,568	US Mortgage
10/25/04	10875	\$1,659	A.M.
10/25/04	10876	\$28,396	A.M.

24. As further part of the conspiracy, W.C. caused to be delivered to US Mortgage the check for \$11,568, some of the proceeds of which US Mortgage paid to defendant Gerald Carti.

25. As further part of the conspiracy, W.C. failed to deliver to A.M. the checks payable to A.M., instead causing them to be transferred to Michael Eliasof, who cashed or deposited them.

G. Checks Associated with Sale of 42 Clinton Street

26. As further part of the conspiracy, on or about the dates listed below, as the closing attorney, W.C. directed Melanie Gebbia to prepare the following checks, which he signed,

from the Attorney Trust for the following approximate amounts in connection with the sale of 42 Clinton Street from P.B. to J.R.:

<u>Date</u>	<u>ATA Check No.</u>	<u>Amount</u>	<u>Payee</u>
11/10/04	10930	\$10,989	United Home
11/10/04	10934	\$20,000	P.B.
11/10/04	10935	\$15,000	P.B.
11/10/04	10936	\$1,055	P.B.
11/10/04	10937	\$7,872	P.B.

27. As further part of the conspiracy, W.C. caused to be delivered to United Home the check for \$10,989, some of the proceeds of which United Home paid to defendant Amer Mir.

28. As further part of the conspiracy, W.C. failed to deliver to P.B. as seller the other checks, instead causing them to be transferred to Michael Eliasof.

29. As further part of the conspiracy, Michael Eliasof transferred to defendant Renford Davis and Hopeton Bradley the \$20,000 check, which then was deposited into a Renhops bank account.

30. As further part of the conspiracy, Michael Eliasof delivered to P.B. the \$15,000 check and cashed or deposited the \$7,872 and \$1,055 checks.

H. Checks Associated with Sale of 351 Hamilton Street

31. As further part of the conspiracy, on or about the dates listed below, as the closing attorney, W.C. directed Melanie Gebbia to prepare the following checks, which he signed,

from the ATA for the following approximate amounts in connection with the sale of 351 Hamilton Street from E.B. to P.O.:

<u>Date</u>	<u>ATA Check No.</u>	<u>Amount</u>	<u>Payee</u>
12/14/04	11096	\$499	E.B.
12/14/04	11097	\$20,000	E.B.
12/14/04	11104	\$11,075	United Home
12/14/04	11110	\$7,500	E.B.
12/14/04	11112	\$1,128	E.B.
12/15/04	11128	\$3,981	E.B.

32. As further part of the conspiracy, W.C. failed to deliver to E.B. any of the checks payable to E.B., instead causing them to be transferred to Michael Eliasof.

33. As further part of the conspiracy, Michael Eliasof transferred to defendant Renford Davis and Hopeton Bradley the \$20,000 check, which then was deposited into a Renhops bank account.

34. As further part of the conspiracy, Michael Eliasof delivered to E.B. the \$7,500 check and cashed or deposited the other checks payable to E.B.

35. As further part of the conspiracy, W.C. caused to be delivered to United Home the check for \$11,075, some of the proceeds of which United Home paid to defendant Amer Mir.

I. Checks Associated with Sale of 30 North 6th Street

36. As further part of the conspiracy, on or about the dates listed below, as the closing attorney, W.C. directed Melanie Gebbia to prepare the following checks, which he signed,

from the ATA for the following approximate amounts in connection with the sale of 30 North 6th Street from S.L. to S.Mo.

<u>Date</u>	<u>ATA Check No.</u>	<u>Amount</u>	<u>Payee</u>
12/23/04	11163	\$17,524	S.L.
12/23/04	11164	\$9,900	S.L.
12/23/04	11165	\$9,900	S.L.
12/23/04	11166	\$5,000	S.L.
12/23/04	11167	\$472	S.L.
12/23/04	11170	\$12,375	United Home

37. As further part of the conspiracy, W.C. failed to deliver to S.L. the checks payable to S.L., instead causing them to be transferred to Michael Eliasof.

38. As further part of the conspiracy, Michael Eliasof delivered to S.L. the \$17,524 check and one of the \$9,900 checks, and cashed or deposited the other checks payable to S.L.

39. As further part of the conspiracy, W.C. caused to be delivered to United Home the check for \$12,375, some of the proceeds of which United Home paid to defendant Amer Mir.

J. Checks Associated with Sale of 471 East 18th Street

40. As further part of the conspiracy, on or about the dates listed below, as the closing attorney, W.C. directed Melanie Gebbia to prepare the following checks, which he signed from the ATA for the following approximate amounts in connection with the sale of 471 East 18th Street from J.B. to M.C.:

<u>Date</u>	<u>ATA Check No.</u>	<u>Amount</u>	<u>Payee</u>
12/23/04	11178	\$843	J.B.
12/23/04	11179	\$68,000	J.B.
12/23/04	11180	\$56,413	J.B.
12/23/04	11186	\$12,735	United Home

41. As further part of the conspiracy, W.C. failed to deliver to J.B. the checks payable to J.B., instead causing them to be transferred to Michael Eliasof.

42. As further part of the conspiracy, Michael Eliasof delivered to J.B. the \$68,000 check, while cashing or depositing the other checks payable to J.B.

43. As further part of the conspiracy, W.C. caused to be delivered to United Home the check for \$12,735, some of the proceeds of which United Home paid to defendant Amer Mir.

44. As further part of the conspiracy, Michael Eliasof deposited the \$56,413 check into a Paterson Management bank account ("PMBA"). Once the check had cleared, Michael Eliasof delivered to defendant Gerald Carti a check for \$32,000, which defendant Gerald Carti deposited into his bank account on or about December 28, 2004.

All in violation of Title 18, United States Code, Section 1956(h).

COUNTS 13 THROUGH 25 – MONEY LAUNDERING
(18 U.S.C. § 1957 and § 2)

1. The allegations set forth in paragraphs 1 through 6 and 8 through 16 of Count 1 and paragraphs 3 through 44 of Count 12 of this Indictment are realleged and incorporated herein.

2. On or about the dates listed below, in Bergen, Hudson and Passaic Counties, in the District of New Jersey, and elsewhere, the defendants listed individually per count below did knowingly engage and attempt to engage in monetary transactions, namely, deposits, withdrawals, transfers and exchanges of U.S. currency and monetary instruments, through financial institutions affecting interstate commerce, in criminally derived property of a value greater than \$10,000 that was derived from specified unlawful activity, namely conspiracy to commit wire fraud and wire fraud:

<u>Count</u>	<u>Defendant</u>	<u>Date</u>	<u>Amount</u>	<u>Source</u>	<u>Deposited by</u>
13	Gerald Carti	07/08/04	\$11,703	ATA Check No. 10236	US Mortgage
14	Renford Davis	07/30/04	\$20,000	ATA Check No. 10401	Renhops
15	Renford Davis	08/27/04	\$17,000	ATA Check No. 10544	Renhops
16	Renford Davis	08/31/04	\$20,000	ATA Check No. 10559	Renhops
17	Renford Davis	09/09/04	\$15,000	ATA Check No. 10607	Renhops
18	Gerald Carti	10/25/04	\$11,568	ATA Check No. 10872	US Mortgage
18	Amer Mir	11/10/04	\$10,989	ATA Check No. 10930	United Home
20	Renford Davis	11/10/04	\$20,000	ATA Check No. 10934	Renhops
21	Renford Davis	12/14/04	\$20,000	ATA Check No. 11097	Renhops
22	Amer Mir	12/14/04	\$11,075	ATA Check No. 11104	United Home
23	Amer Mir	12/23/04	\$12,375	ATA Check No. 11170	United Home
24	Amer Mir	12/23/04	\$12,735	ATA Check No. 11186	United Home
25	Gerald Carti	12/28/04	\$32,000	PMBA Check No. 2101	Gerald Carti

In violation of Title 18, United States Code, Section 1957
and Section 2.

A TRUE BILL

FOREPERSON

CHRISTOPHER J. CHRISTIE
UNITED STATES ATTORNEY